

INSURANCE REGULATORY TRUST FUND
INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2008

	August-08				July-08				Current FYTD	Prior Year FY08	3 Years Ended 6/30/2008	5 Years Ended 6/30/2008
	Market Value	Allocation Actual	Policy	Month Net ROR	Market Value	Allocation Actual	Policy	Month Net ROR	Net	Net	Net	Net
LARGE CAP DOMESTIC EQUITY												
Structured Growth												
Los Angeles Capital	93,617	2.3%	2.3%	-0.56%	88,752	2.2%	2.3%	-1.18%	-1.73%	-7.79%	7.68%	N/A
Total Structured Growth	93,617	2.3%	2.3%	-0.56%	88,752	2.2%	2.3%	-1.18%	-1.73%	-7.79%	7.68%	9.56%
Russell 1000 Growth				1.08%				-1.90%	-0.84%	-5.96%	5.91%	7.32%
Structured Value												
LSV	85,075	2.1%	2.3%	1.61%	78,912	1.9%	2.3%	-0.58%	1.02%	-21.43%	3.81%	11.57%
Russell 1000 Value				1.70%				-0.36%	1.33%	-18.78%	3.53%	8.92%
Russell 1000 Enhanced Index												
LA Capital	183,450	4.5%	4.5%	0.76%	171,638	4.2%	4.5%	-2.05%	-1.30%	-9.54%	6.97%	N/A
Russell 1000				1.38%				-1.16%	0.20%	-12.36%	4.81%	
S&P 500 Enhanced Index												
Westridge	189,928	4.7%	4.5%	1.58%	176,285	4.3%	4.5%	-0.73%	0.85%	-12.18%	4.98%	N/A
S&P 500				1.45%				-0.84%	0.59%	-13.12%	4.41%	
Index												
State Street	61,005			0.31%	57,330			-1.16%	-0.85%	-18.24%	2.93%	6.64%
Total 130/30	61,005	1.5%	1.5%	0.31%	57,330	1.4%	1.5%	-1.16%	-0.85%	-18.24%	2.93%	6.64%
S&P 500				1.45%				-0.84%	0.59%	-13.12%	4.41%	7.59%
TOTAL LARGE CAP DOMESTIC EQUITY	613,075	15.1%	15.0%	0.88%	572,917	14.1%	15.0%	-1.22%	-0.35%	-12.71%	5.68%	9.31%
S&P 500				1.45%				-0.84%	0.59%	-13.12%	4.41%	7.59%
SMALL CAP DOMESTIC EQUITY												
Manager-of-Managers												
SEI	101,122	2.5%	2.5%	2.40%	94,517	2.3%	2.5%	0.99%	3.41%	-20.93%	2.06%	9.10%
Russell 2000 + 200bp				3.78%				3.87%	7.79%	-14.48%	5.88%	12.50%
Enhanced												
Research Affiliates	107,356	2.6%	2.5%	3.55%	99,182	2.4%	2.5%	2.98%	N/A	N/A	N/A	N/A
Russell 2000				3.61%				3.70%	7.45%	-16.19%		
TOTAL SMALL CAP DOMESTIC EQUITY	208,478	5.1%	5.0%	2.99%	193,699	4.8%	5.0%	1.97%	5.02%	-21.14%	1.97%	9.04%
Russell 2000				3.61%				3.70%	7.45%	-16.19%	3.79%	10.29%
INTERNATIONAL EQUITY												
Large Cap - Active												
Capital Guardian	160,340	3.9%	4.0%	-3.83%	150,131	3.7%	4.0%	-4.00%	-7.68%	-12.37%	12.24%	14.35%
LSV	161,501	4.0%	4.0%	-1.07%	147,073	3.6%	4.0%	-2.50%	-3.55%	-25.78%	7.37%	N/A
Total Large Cap - Active	321,841	7.9%	8.0%	-2.47%	297,204	7.3%	8.0%	-3.27%	-5.66%	-19.29%	9.83%	13.46%
MSCI EAFE - 50% Hedged				-1.59%				-2.64%	-4.19%	-15.14%	10.93%	14.67%
Small Cap - Value												
DFA	37,488	0.9%	1.0%	-3.22%	34,921	0.9%	1.0%	-4.44%	N/A	N/A	N/A	N/A
Total Small Cap Value	37,488	0.9%	1.0%	-3.22%	34,921	0.9%	1.0%	-4.44%	-7.52%	-12.74%	9.30%	17.27%
S&P/Citigroup Broad Market Index < \$2BN				-5.40%				-4.30%	-9.47%	-25.49%	7.39%	17.33%
Small Cap - Growth												
Vanguard	36,405	0.9%	1.0%	-5.82%	33,971	0.8%	1.0%	-5.82%	-11.30%	-17.52%	11.77%	20.18%
Citigroup Broad Market Index < \$2BN				-5.40%				-4.30%	-9.47%	-25.49%	7.39%	17.33%
TOTAL INTERNATIONAL EQUITY	395,734	9.7%	10.0%	-2.85%	366,095	9.0%	10.0%	-3.62%	-6.37%	-18.83%	9.79%	14.56%
MSCI EAFE - 50% Hedged				-1.59%				-2.64%	-4.19%	-15.14%	10.93%	14.67%

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	Market Value	Allocation	Policy	Month	Market Value	Allocation	Policy	Month	FYTD	FY08	Ended	Ended
				Net ROR				Net ROR	Net	Net	6/30/2008	6/30/2008
											Net	Net
DOMESTIC FIXED INCOME												
Core Bond												
Western Asset	428,559	10.6%	10.9%	1.03%	432,248	10.7%	10.9%	-1.78%	-0.76%	2.06%	2.76%	3.55%
<i>Lehman Aggregate</i>				0.95%				-0.08%	0.87%	7.12%	4.09%	3.86%
Mortgage Backed												
Hyperion	82,442	2.0%	2.8%	-10.70%	94,764	2.3%	2.8%	-8.02%	-17.87%	-20.24%	N/A	N/A
<i>Lehman Global Aggregate (US Securitized Portion)</i>				-0.46%				-0.06%	-0.52%	10.14%		
Core Plus/Enhanced												
<i>Clifton Group</i>	126,511	3.1%	2.8%	1.11%	127,200	3.1%	2.8%	0.45%	1.56%	10.17%	N/A	N/A
<i>Prudential</i>	125,443	3.1%	2.8%	0.71%	126,807	3.1%	2.8%	-0.24%	0.46%	4.89%	N/A	N/A
Total Core Plus/Enhanced	251,954	6.2%	5.6%	0.91%	254,007	6.3%	5.6%	0.10%	1.01%	7.55%	N/A	N/A
<i>Lehman Aggregate</i>				0.95%				-0.08%	0.87%	7.12%		
Index												
Bank of ND	220,350	5.4%	4.9%	1.06%	222,138	5.5%	4.9%	0.07%	1.14%	7.68%	3.93%	3.28%
<i>Lehman Gov/Credit (1)</i>				0.92%				0.00%	0.92%	7.24%	3.84%	3.24%
BBB Average Quality												
Wells Capital (formerly Strong)	438,046	10.8%	10.9%	0.83%	442,929	10.9%	10.9%	-0.59%	0.24%	3.55%	3.04%	3.85%
<i>Lehman US Credit BAA</i>				0.80%				-0.67%	0.13%	2.62%	2.52%	3.59%
TOTAL DOMESTIC FIXED INCOME	1,421,351	35.0%	35.0%	0.19%	1,446,085	35.7%	35.0%	-1.24%	-1.06%	2.32%	3.89%	5.04%
<i>Lehman Aggregate (2)</i>				0.95%				-0.08%	0.87%	7.12%	4.09%	3.73%
CASH EQUIVALENTS												
Bank of ND	1,421,084	35.0%	35.0%	0.17%	1,474,224	36.4%	35.0%	0.16%	0.33%	3.43%	4.10%	3.38%
<i>90 Day T-Bill</i>				0.16%				0.18%	0.33%	3.63%	4.27%	3.18%
TOTAL INSURANCE REGULATORY TRUST	4,059,721	100.0%	100.0%	0.14%	4,053,021	100.0%	100.0%	-0.81%	-0.67%	-2.71%	4.56%	5.72%
POLICY TARGET BENCHMARK				0.62%				-0.17%	0.45%	1.85%	5.91%	6.12%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.